

Liquidators' Six Monthly Report

PROMETHEUS FINANCE LIMITED (IN LIQUIDATION) PROMETHEUS SOCIAL LENDING SERVICES LIMITED (IN LIQUIDATION) PROMETHEUS GUARDIAN TRUST LIMITED (IN LIQUIDATION)

Introduction

On 10 December 2015 at 11:20am, Iain Shephard and Heath Gair were appointed liquidators jointly and severally of Prometheus Finance Limited and of Prometheus Social Lending Services Limited by special resolution signed by the shareholders.

On 23 June 2016 at 4:00pm, Iain Shephard and Heath Gair were appointed liquidators jointly and severally of Prometheus Guardian Trust Limited by special resolution signed by the shareholders.

Heath Gair vacated as liquidator on 12 August 2016.

This is our six-monthly report required by Section 255(2)(d) of the Companies Act 1993 and is to be read in conjunction with our previous reports.

Background

Prometheus Finance Limited ("the Company") was a finance company which focused on social and environmental lending.

On 17 March 2014, John Fisk and Jeremy Morley of PwC were appointed receivers. Secured investors have since been repaid all principal and interest and the receivers have retired.

The shareholders resolved to place the Company into liquidation.

Prometheus Social Lending Services Limited ("Social Lending") was a service provider that ceased trading some time ago. Social Lending has no assets or liabilities.

Prometheus Guardian Trust Limited ("Guardian Trust") was incorporated to act as the trustee of the Company. Due to the liquidation of the Company, the reason for Guardian Trust had ceased to exist.

Liquidators' Actions

The liquidators have liaised with many parties including Inland Revenue, the Companies Office, the New Zealand Gazette and the Accident Compensation Corporation, and completed a review of all information received.

The liquidators advertised their appointment in the relevant publications and made a call for creditor claims. The liquidators also directly contacted all known creditors and answered any queries they may have had. The liquidators subsequently reviewed all completed creditor claim forms received.

The primary function of this liquidation has been to assess the claims of a group known as “Small Offer Shareholders”. These parties subscribed for shares just prior to the Company being placed into receivership. They, via their solicitor, have been claiming that they were misled and are therefore either unsecured creditors or have a claim in priority to the existing shareholders. They are also of the opinion that the Directors breached their duties and obligations in respect of the share issue.

The liquidators corresponded with five of the large shareholders as to whether these shareholders would agree to waive their claim to any distribution in respect of share capital. Three of the five shareholders have agreed, subject to their waiver specifically being in favour of the Small Offer Shareholders. The two other shareholders did not agree to waive their claim to any capital distribution.

The Small Offer Shareholders have filed a formal claim in the liquidation in the amount of \$157,500, of which \$40,000 is a secured claim. As a formal claim has now been filed, the liquidators are required to either accept or reject the claim. In the event that their claim is rejected, the Small Offer Shareholders may issue proceedings. At this stage, it appears likely that the liquidators will proceed to litigation in respect of this matter. The liquidators are cognisant that any litigation is likely to consume the funds held.

The liquidators have now received a request from the FMA to provide certain information regarding the circumstances of the capital raising. The liquidators will cooperate in these requests.

Realisation of Assets

Funds from Receivers

The liquidators have received \$275,629.83 from the receivers.

Accounts Receivable

The liquidators have received accounts receivable totaling \$2,639.76.

Inland Revenue Tax Credit

The liquidators have received an Inland Revenue tax credit of \$13,138.79. Please refer to the statement made under the heading “Preferential Creditors”, below.

Interest

The liquidators have received interest totaling \$4,441.65.

Creditors' Claims

Secured Creditors

In respect of the Company, secured creditor claims were settled by the receivers.

Preferential Creditors

In respect of the Company, the liquidators have received one preferential claim, totaling \$100,765.99. The Receivers had settled the preferential Inland Revenue claim as at the time of receivership however the Inland Revenue had filed an amended claim which includes RWT due to the end of December 2015. This has now been resolved and a net refund of \$13,138.79 was received. There are no amounts owing to the Inland Revenue in respect of the Company.

The liquidators have received a preferential claim from Inland Revenue in respect of Social Lending for \$1,650.00.

Unsecured Creditors

For the Company, the liquidators have received seven unsecured claims, totaling \$68,367.49 (this excludes any Small Offer Shareholders). The Small Offer Shareholders have filed a claim in the liquidation in the amount of \$157,500.

In respect of Social Lending, the liquidators have received a further unsecured claim from Inland Revenue for \$286.58.

The liquidators have not received any creditor claims in respect of Guardian Trust.

Prospect of a Distribution

The liquidators expect that there will be a distribution to the preferential creditor (subject to admission of the claim) in respect of the Company. It is anticipated that there will be a distribution to unsecured creditors however the quantum of such distribution is dependent upon the resolution of the dispute with the Small Offer Shareholders.

Receipts and Payments

A schedule of the liquidators' receipts and payments is enclosed.

Estimated Date of Completion

It is not practical to estimate the date of completion at this time.

Contact Details

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IAIN SHEPHARD
Liquidator

Dated 7 July 2017

PROMETHEUS FINANCE LIMITED (IN LIQUIDATION)

Schedule of Liquidators' Receipts & Payments

As at: 7 July 2017

Receipts

| | |
|-----------------------------|------------|
| Funds from Receivers | 275,629.83 |
| Accounts Receivable | 2,639.76 |
| Inland Revenue - Tax Credit | 13,138.79 |
| Interest | 4,441.65 |

295,850.03

Less Payments

| | |
|-------------------------------------|------------|
| Computer Services | 938.40 |
| Legal Fees | 27,042.75 |
| Liquidators Costs and Disbursements | 106,870.98 |
| RWT | 1,465.75 |
| Storage | 1,219.47 |

137,537.35

Liquidators' Bank Account

158,312.68